## ABSTRACT OF THE DISCLOSURE

A bandwidth adjustment server (BWAS) (109) is provided which monitors system bandwidth usage, sends requests to terminals (102A, 102B and/or 106), to identify their coding capabilities, and directs each of the terminals to adjust their coding algorithms based on system bandwidth usage. If system bandwidth usage is high, the BWAS (109) requires the terminals to employ a less bandwidth intensive coding algorithm; similarly, when system bandwidth usage is low, the BWAS (109) will allow the terminals to employ higher bandwidth use coding algorithms. Codec renegotiation may be initiated if there is a disparity between the bandwidth allocated to new connections versus ongoing connections or an increase in data traffic.

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